State CIO Update

Joint Legislative Oversight Committee on Information Technology

December 5, 2006

Overview

- Project management assistance and monitoring
- Bulk purchasing savings
- Multi-year maintenance contracts
- Second data center
- Issues for 2007 General Assembly session

Project approval/monitoring

- SB 991 gave State CIO responsibility for approving and monitoring IT projects.
- Project management assistants required on all projects that require approval by State CIO
  - Generally projects costing more than $500,000
- CIO has discretion to assign project management assistant to any project.

Project Growth in NC

Total   132 $816M

Comparision of budgeted cost of IT projects started

SB 991

4
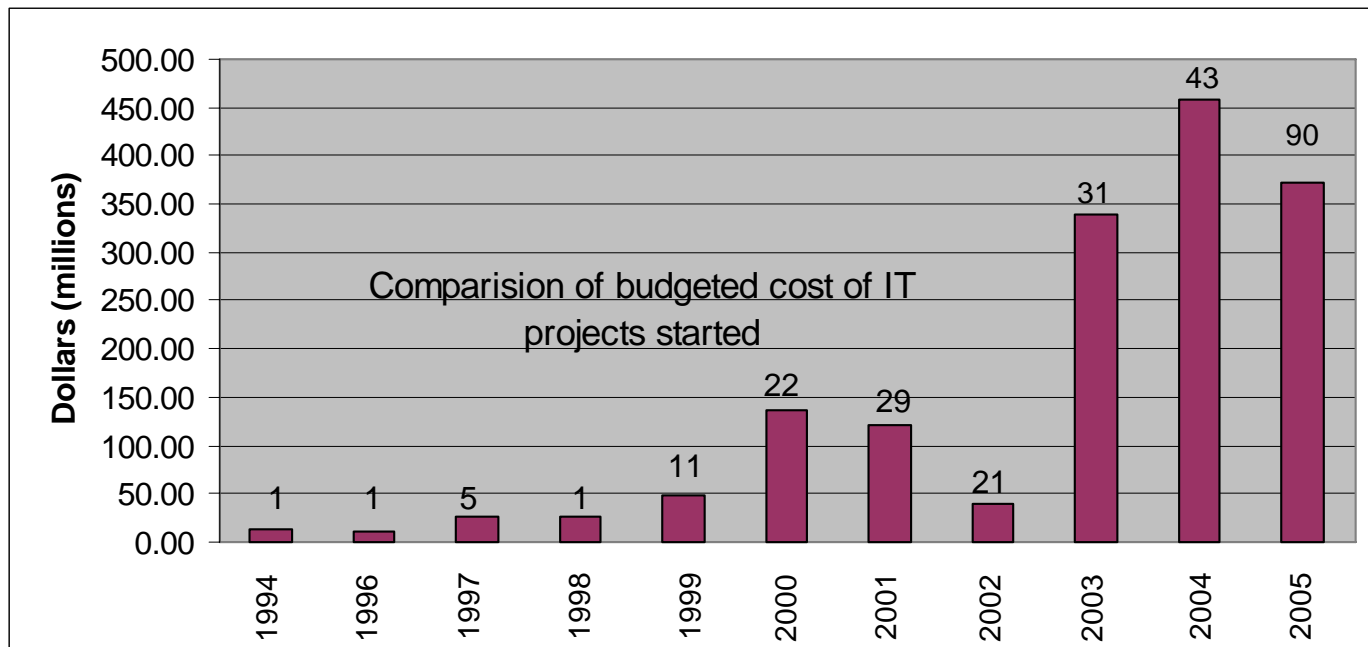
Project approval/monitoring

- Enterprise Project Management Office established
- 84 projects > $500,000 -- $802 million
- 48 projects between $100,000 and $500,000 -- $14.4 million
- 24 potential projects -- $352.7 million – on the horizon
- Benefits:
  - Higher level of support
  - Earlier identification of potential problems
  - Better project management

Project approval/monitoring

- Aside from legislative requirements, improved skills and knowledge sharing by project managers in state government
  - 54 state employees trained in Basic Project Management
  - 20 went on to receive certification
  - 18 scheduled to take certification exam

Project Management 101

- Runaway projects that are late and over budget get the attention
- Badly *underestimating* cost and hours is also bad project management because it ties up unnecessary resources

Project costs/schedules since SB 991

Date (Projects)	Budget	Actual	Difference	Hours	Actual	Difference
Oct 99-May 04 (47)	$330,663,101	$245,599,404	-$85,063,697	21,661	28,778	+7,117
May 04-May 06 (45)	$89,897,983	$84,839,919	-$5,058,064	15,013	17,964	+2,951

Result: better cost estimates and more control over spending

Project approval/monitoring

- Using software tool in all aspects of efforts to improve IT:
  - Project approval and management
  - Application portfolio management (follow-up to legacy assessment)
  - Review of expansion budget requests
  - Ultimately will use in setting priorities, planning and budgeting
  - Used this year for first time in compiling IT Expenditure Report

Project approval/monitoring

- Tool provides real-time tracking of IT projects in six key, critical areas
- We track project cost in terms of five-year, Total Cost of Ownership because that's more realistic than just project cost
- Here is a very high level view of the state's larger projects…

Top Ten Projects
By Proposed Total Cost of Ownership
As of September 1, 2006

SB 991 Status	Project	Agency	TCO (1)	Development (2)	Status	Overall	Project Funding (TCO)	Phase Cost	Project Scope	Phase Milestones	Project Staff Utilization	Project Issue and Risk Management
Pre	VIPER Strategic Solution Implementation	Crime Control	$238,443,334	$191,200,000	Deployment In Progress (Phase 0)	Green	Yellow	Green	Green	Green	Green	Green
Pre	NC MMIS Initiative	DHHS	$224,793,000	$51,292,441	Canceled in Design Phase	Red	Red	Green	Green	Red	Red	Red
Post	BEACON – HR/Payroll	State Controller	$132,310,000	$85,650,000	Planning and Design Phase	Green	Yellow	Green	Green	Green	Green	Green
Pre	NC WISE Statewide Implementation	DPI	$116,590,984	$116,590,984	Wave 2 Deployment In Progress	Red	Green	Green	Gray	Gray	Gray	Gray
Pre	Administrative Information Systems	Community Colleges	$92,300,000	$92,300,000	Phase 2C Deployment In Progress	Green	Green	Green	Green	Green	Gray	Green
Pre	E-Procurement @ Your Service	Administration	$60,000,000	$30,042,100	Phase 2 Implementation	Green	Green	Green	Green	Green	Green	Yellow
Pre	Health Information System	DHHS	$54,162,618	$30,279,638	Planning and Design Phase	Green	Yellow	Green	Green	Green	Green	Green
Post	Voting Equipment Upgrade HAVA (Help America Vote Act)	Board of Elections	$41,027,908	$40,974,208	Implementation	Green	Green	Green	Green	Green	Green	Green
Pre	Business Process Improvement Project – Implementation Phase	DOT	$40,000,000	$31,531,216	Complete	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pre	NC FAST Implementation, Release 1	DHHS	$24,113,389		Pending "Program" Approval	Gray	Gray	Gray	Gray	Gray	Yellow	Gray

(1)   TCO – Proposed initial total cost of ownership budget (Project Cost + 5 Years of Operations and Maintenance)
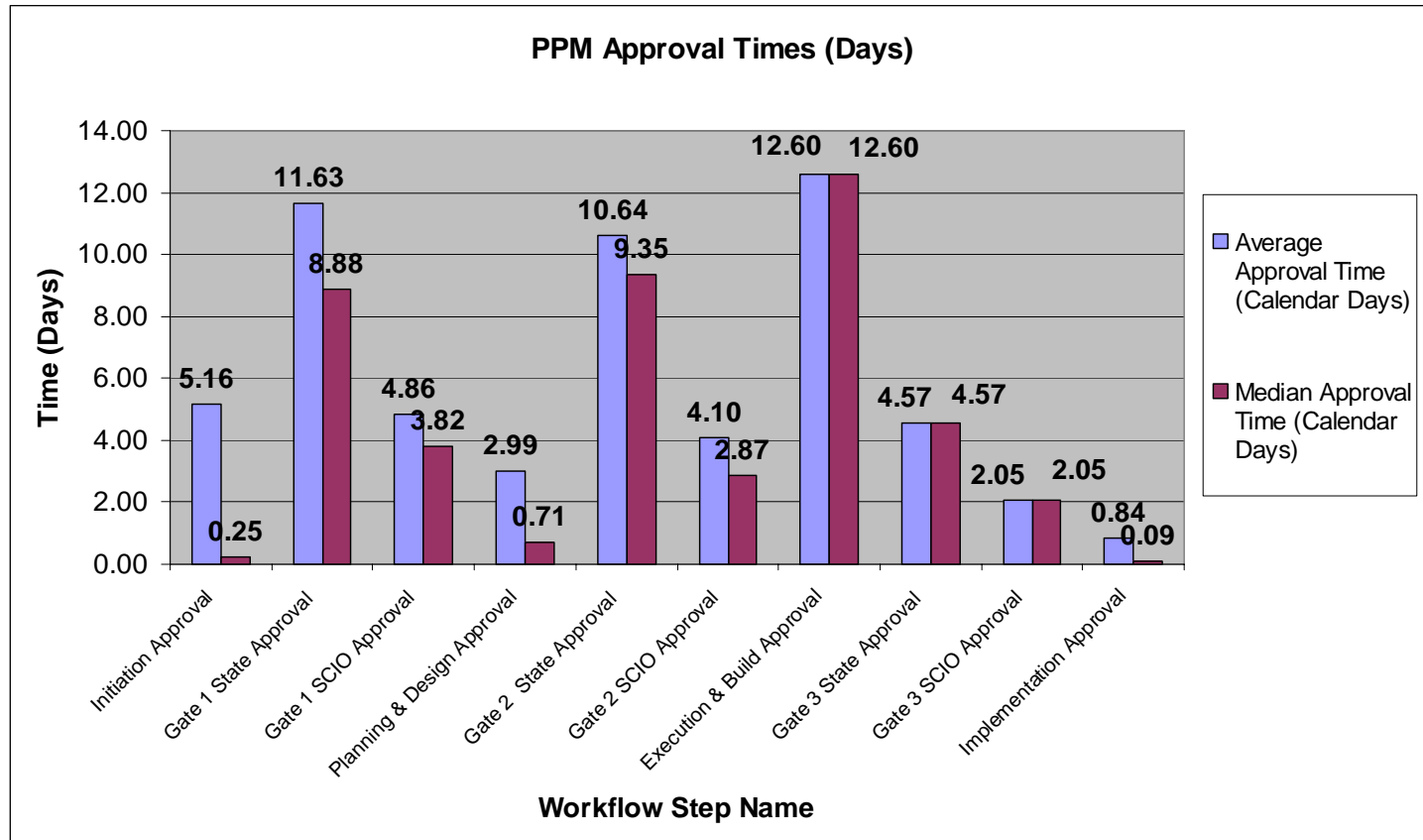(2)   Dev – Proposed initial development phase budget

Indicator	Green	Yellow	Red
Overall	All "triple constraint" (Phase Milestones, Phase Cost, Project Scope) status identified, no more than 1 of the "triple constraints" are yellow (and none are red)	(2 or more of the "triple constraints" (Milestones, Cost, Scope) are Yellow) or (1 or more of the "triple constraints" is red)	(2 or more of the "triple constraints" (Milestones, Cost, Scope) are Yellow) or (1 or more of the "triple constraints" is red) for more than one month with no approved corrective action in place
Project Funding (TCO)	"Fully funded" risk answer	"PARTIAL funding" risk answer	"No funding" or "TBD" answer
Phase Cost	"Actual to Date" plus "Estimate to Complete" for current workflow phase* <= Total Approved Phase Budget plus 5%	"Actual to Date" plus "Estimate to Complete" for current workflow phase* > Total Approved Phase Budget from 6 -10%	"Actual to Date" plus "Estimate to Complete" for current workflow phase* > Total Approved Phase Budget by more than 10%
Project Scope	Based on Full Function Business Functional Requirements status answer = "Yes"	Based on Full Function Business Functional Requirements status answer = "No"	N/A
Phase Milestones	Milestones are identified based on phase schedule and scope	Milestones are not identified or do not reflect the phase scope and schedule	Milestones are not identified or do not reflect the phase scope and schedule for more than one (1) month
Project Staff Utilization	Actual hours for the project vary (plus or minus) from approved plan to date hours for the project by < 10%	Actual hours for the project vary (plus or minus) from approved plan to date hours for the project by 10 – 15%	Actual hours for the project vary (plus or minus) from approved plan to date hours for the project by > 15%
Project Issue and Risk Management	All identified issues and risks have corrective action plans and target dates defined	Some issues and risks do not have corrective action plans and target dates defined within 1 month of identification	Some issues and risks do not have corrective action plans and target dates defined for longer than 1 month after identification

Close

Project approval/monitoring

- Software has a series of approval gates
- Projects are moving through the approval process quickly, but with adequate review

Project approval times

PPM Approval Times (Days)

A bar chart titled "PPM Approval Times (Days)" with Y-axis labeled "Time (Days)" ranging from 0.00 to 14.00, and X-axis labeled "Workflow Step Name". Two series: Average Approval Time (Calendar Days) and Median Approval Time (Calendar Days).

Workflow Step Name	Average	Median
Initiation Approval	5.16	0.25
Gate 1 State Approval	11.63	8.88
Gate 1 SCIO Approval	4.86	3.82
Planning & Design Approval	2.99	0.71
Gate 2 State Approval	10.64	9.35
Gate 2 SCIO Approval	4.10	2.87
Execution & Build Approval	12.60	12.60
Gate 3 State Approval	4.57	4.57
Gate 3 SCIO Approval	2.05	2.05
Implementation Approval	0.84	0.09

Procurement

- SB 991 clarified State CIO's responsibilities in procurement and provided some additional tools.

- Saved agencies $13.2 million over the past two years by consolidating requisitions for desktop and laptop PCs and printers and putting them up for bid

Bulk purchasing savings

- 10 bulk purchases
- Personal computer savings: $12.3 million
  - 14,289 desktops
  - 6,106 laptops
- Printer savings: $861,000
  - 7,504 printers

Multi-year maintenance agreements

- Four in FY03-04 that saved almost $4.1 million.
- Four in FY04-05 that saved almost $2.5 million
- Total savings of $6.6 million.
- No agreements last year
- Agreements with Compuware, BMC (twice), SEA, Allen Systems, Progress Energy, Cisco, and Strohl.

Second data center

- General Assembly last year approved $24.5 million in certificates of participation for second data center

- Construction of center in Rutherford County on time and under budget

- Hot site in case of natural disaster or homeland security incident

- Additional capacity will reduce load on main center and allow testing of large, new applications

Issues for 2007 session

- Better project management for large projects
  - Requirement for more than one agency project manager on large, complex projects
  - Increase $500,000 threshold for *mandatory* assignment of project management assistants
- IT Fund
- Statewide IT Plan

IT Fund

- Created by the General Assembly in SB 991 to meet statewide requirements
- Appropriations to ITS and State Controller's Office for BEACON
- ITS appropriations:
  - $4.8 million for 2004-2005
  - $13.5 million for 2005-2006
  - $13.6 million for 2006-2007

IT Fund appropriations to ITS

- IT Fund uses by ITS
  - Established Enterprise Project Management Office
  - Began addressing needs identified in security assessment
  - Acquired software and began implementing statewide portfolio management initiative
  - Began providing legal support for Statewide IT Procurement

Biennial IT Plan

- First plan submitted to General Assembly in February 2005

- Drafting new plan to be submitted February 2007

- Have reviewed agency IT plans

- In general, agencies doing a better job of forecasting needs and tying to business programs

Conclusion

- These only a few of the efforts under way
- Other initiatives:
  - Consolidation of IT infrastructure
  - Measurable improvements in ITS service delivery
- Made great strides over past two years
- All states doing similar things
- Key is not to lose momentum